

110TH CONGRESS
1ST SESSION

H. R. 1761

To amend the Elementary and Secondary Education Act of 1965 to establish the Teacher Incentive Fund Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Mr. PRICE of Georgia (for himself, Mr. McKEON, Mr. BOEHNER, Mr. CASTLE, Mr. SOUDER, Mr. WILSON of South Carolina, Mr. KLINE of Minnesota, Mr. MARCHANT, Mr. BOUSTANY, Mr. DAVID DAVIS of Tennessee, Mr. REGULA, Ms. NORTON, and Mr. DAVIS of Illinois) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Elementary and Secondary Education Act of 1965 to establish the Teacher Incentive Fund Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Teacher Incentive
5 Fund Act”.

1 **SEC. 2. TEACHER INCENTIVE FUND PROGRAM.**

2 Part C of title II of the Elementary and Secondary
3 Education Act of 1965 is amended by adding at the end
4 the following:

5 **“Subpart 6—Teacher Incentive Fund Program**

6 **“SEC. 2371. PURPOSES; DEFINITIONS.**

7 “(a) PURPOSES.—The purposes of this subpart are—

8 “(1) to assist States, local educational agencies,
9 and nonprofit organizations to develop, implement,
10 or improve comprehensive performance-based com-
11 pensation systems for teachers and principals, espe-
12 cially for teachers and principals in high-need
13 schools, who raise student academic achievement and
14 close the achievement gap; and

15 “(2) to study and review performance-based
16 compensation systems for teachers and principals to
17 evaluate their effectiveness, fairness, quality, consist-
18 ency, and reliability.

19 “(b) DEFINITIONS.—For purposes of this subpart:

20 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
21 tity’ means—

22 “(A) a local educational agency (including
23 a charter school that is a local educational
24 agency), or a consortium of such agencies;

25 “(B) a State educational agency, or other
26 State agency designated by the chief executive

1 of the State to participate under this subpart;
2 or

3 “(C) a partnership of—

4 “(i) one or more agencies described in
5 subparagraph (A) or (B), or both; and

6 “(ii) at least one nonprofit organiza-
7 tion.

8 “(2) HIGH-NEED LOCAL EDUCATIONAL AGEN-
9 CY.—The term ‘high-need local educational agency’
10 has the meaning given the term in section 2102.

11 “(3) HIGH-NEED SCHOOL.—The term ‘high-
12 need school’ has the meaning given the term in sec-
13 tion 2312.

14 “(4) PERFORMANCE-BASED COMPENSATION
15 SYSTEM.—The term ‘performance-based compensa-
16 tion system’ means a system of compensation for
17 teachers and principals that—

18 “(A) differentiates levels of compensation
19 primarily on the basis of measurable increases
20 in student academic achievement; and

21 “(B) may include—

22 “(i) differentiated levels of compensa-
23 tion on the basis of high-quality teachers’
24 and principals’ employment and success in

1 hard-to-staff schools or high-need subject
2 areas; and

3 “(ii) recognition of the skills and
4 knowledge of teachers and principals as
5 demonstrated through—

6 “(I) successful fulfillment of ad-
7 ditional responsibilities or job func-
8 tions; and

9 “(II) evidence of high achieve-
10 ment and mastery of content knowl-
11 edge and superior teaching skills.

12 **“SEC. 2372. TEACHER INCENTIVE FUND GRANTS.**

13 “(a) IN GENERAL.—From the amounts appropriated
14 to carry out this subpart, the Secretary is authorized to
15 make grants on a competitive basis to eligible entities to
16 develop, implement, or improve performance-based com-
17 pensation systems in participating schools.

18 “(b) PRIORITY.—In making such a grant, the Sec-
19 retary shall give priority to an eligible entity that con-
20 centrates its proposed activities on teachers and principals
21 serving in high-need schools.

22 “(c) APPLICATIONS.—To be eligible to receive a grant
23 under this subpart, an eligible entity shall submit an appli-
24 cation to the Secretary, at such time and in such manner
25 as the Secretary may reasonably require, that includes—

1 “(1) a description of the performance-based
2 compensation system that the applicant proposes to
3 develop and implement or improve;

4 “(2) a description and demonstration of the
5 support and commitment from teachers and prin-
6 cipals in the targeted schools, the community, and
7 local educational agency or agencies for the perform-
8 ance-based compensation system, including dem-
9 onstration of consultation with teachers and prin-
10 cipals on the development and implementation of the
11 performance-based compensation system;

12 “(3) a description of how the eligible entity will
13 develop and implement a fair, rigorous, and objective
14 process to evaluate teacher, principal, and student
15 performance, including the baseline performance
16 against which evaluations of improved performance
17 will be made;

18 “(4) a description and demonstration of how
19 teacher and principal views were included in the de-
20 velopment of the performance-based compensation
21 system;

22 “(5) a description of the local educational agen-
23 cy or local educational agencies to be served by the
24 project, including such demographic information

1 about students in the schools to be served by the
2 project as the Secretary may request;

3 “(6) information on student academic achieve-
4 ment, the quality of the teachers and principals, and
5 existing compensation, bonuses, and incentive sys-
6 tems for teachers and principals in the schools to be
7 served by the project;

8 “(7) a description of how the applicant will use
9 grant funds under this subpart in each year of the
10 grant;

11 “(8) a description of the comprehensive, focused
12 professional development that is aligned with stu-
13 dent content and achievement standards that the ap-
14 plicant will implement to support the performance-
15 based compensation system;

16 “(9) an explanation of how the grantee will con-
17 tinue its performance-based compensation system
18 after the grant ends;

19 “(10) a description, if applicable, of how the ap-
20 plicant will define the term ‘high-quality’ for the
21 purposes of section 2371(b)(4)(B)(i), through the
22 use of measurable indicators;

23 “(11) a description of the State, local, or phil-
24 anthropic funds that will be used to supplement the

1 grant and sustain the activities at the end of the
2 grant period; and

3 “(12) A description of how the applicant will
4 evaluate the project annually, including any objective
5 measures that are clearly related to the goals for the
6 project and information on how the evaluation will
7 produce quantitative and qualitative data.

8 “(d) USE OF FUNDS.—

9 “(1) IN GENERAL.—A grantee shall use grant
10 funds provided under this subpart only to develop,
11 implement, or improve, in collaboration with teach-
12 ers, principals, other school administrators, and
13 members of the public, a performance-based com-
14 pensation system consistent with the requirements of
15 this subpart.

16 “(2) AUTHORIZED ACTIVITIES.—Authorized ac-
17 tivities under this subpart may include the following:

18 “(A) Developing appraisal systems that re-
19 flect clear and fair measures of student aca-
20 demic achievement.

21 “(B) Developing appraisal systems that re-
22 flect clear and fair measures of teacher and
23 principal performance based on demonstrated
24 improvements in student academic achievement.

1 “(C) Conducting outreach within the local
2 educational agency (or agencies) or the State to
3 gain input on how to construct the appraisal
4 system and to develop support for it.

5 “(D) Paying, as part of a comprehensive
6 performance-based compensation system, bo-
7 nuses and increased salaries to teachers and
8 principals who raise student academic achieve-
9 ment, so long as the grantee uses an increasing
10 share of non-Federal funds to pay these mone-
11 tary rewards each year of the grant.

12 “(E) Paying, as part of a comprehensive
13 performance-based compensation system, addi-
14 tional bonuses to teachers who both raise stu-
15 dent academic achievement and either teach in
16 high-need schools or teach subjects that are dif-
17 ficult to staff, or both, so long as the grantee
18 uses an increasing share of non-Federal funds
19 to pay these monetary rewards each year of the
20 grant.

21 “(F) Paying, as part of a comprehensive
22 performance-based compensation system, addi-
23 tional bonuses to principals who both raise stu-
24 dent academic achievement and serve in high-
25 need schools, so long as the grantee uses an in-

1 creasing share of non-Federal funds to pay
2 these monetary rewards each year of the grant.

3 “(e) DURATION OF GRANTS.—

4 “(1) IN GENERAL.—The Secretary may make
5 grants under this section for periods of up to 5
6 years.

7 “(2) LIMITATION.—An agency described in sub-
8 paragraph (A) of section 2371(b)(1) may receive
9 (whether individually or as part of a consortium or
10 partnership) a grant under this subpart only once.
11 Such an agency may continue to receive that grant
12 for the period of that grant, but shall not receive
13 (whether individually or as part of a consortium or
14 partnership) any other grant under this subpart.

15 “(f) EQUITABLE DISTRIBUTION.—To the extent
16 practicable, the Secretary shall ensure an equitable geo-
17 graphic distribution of grants under this section.

18 “(g) MATCHING REQUIREMENT.—

19 “(1) Each eligible entity that receives a grant
20 under this section shall provide, from non-Federal
21 sources, an amount (which may be provided in cash
22 or in kind) to carry out the activities supported by
23 the grant equal to—

1 “(A) for the first year of the grant, 25 per-
2 cent of the amount received for that year under
3 the grant;

4 “(B) for the second year, 30 percent;

5 “(C) for the third year, 35 percent;

6 “(D) for the fourth year, 40 percent; and

7 “(E) for the fifth year, 50 percent.

8 “(2) The Secretary may waive all or part of the
9 matching requirement described in paragraph (1) for
10 any fiscal year for an eligible entity described in sec-
11 tion 2371(b)(1)(A) if that eligible entity is a high-
12 need local educational agency, a consortium of high-
13 need local educational agencies, or a charter school
14 that is a high-need local educational agency and the
15 Secretary determines that applying the matching re-
16 quirement to such eligible entity would result in seri-
17 ous hardship or an inability to carry out the activi-
18 ties described in subsection (d).

19 “(h) SUPPLEMENT, NOT SUPPLANT.—Grant funds
20 provided under this section shall be used to supplement,
21 not supplant, other Federal or State funds.

22 **“SEC. 2373. REPORT AND EVALUATION.**

23 “(a) REPORT.—The Secretary shall provide an an-
24 nual report on the implementation of the program to the
25 Congress.

1 “(b) EVALUATION.—

2 “(1) IN GENERAL.—The Secretary shall,
3 through grant or contract, carry out an independent
4 evaluation of the program under this subpart.

5 “(2) CONTENT.—The evaluation shall meas-
6 ure—

7 “(A) the effectiveness of the program in
8 improving student academic achievement;

9 “(B) the satisfaction of the participating
10 teachers or principals; and

11 “(C) the extent to which the program as-
12 sisted the eligible entities in recruiting and re-
13 taining high-quality teachers and principals, es-
14 pecially in hard-to-staff subject areas.

15 **“SEC. 2374. AUTHORIZATION OF APPROPRIATIONS.**

16 “(a) IN GENERAL.—There are authorized to be ap-
17 propriated to carry out this subpart such sums as may
18 be necessary for fiscal year 2008 and each of the suc-
19 ceeding 5 fiscal years.

20 “(b) RESERVATION.—The Secretary may reserve not
21 more than 3 percent of the funds appropriated to carry
22 out this subpart for any one fiscal year for the cost of
23 the evaluation under section 2373(b) and for technical as-
24 sistance and program outreach.”.

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